

IN THE MATTER OF:

* BEFORE THE MARYLAND

* COMMISSIONER OF

FREDERICK LEE d/b/a
FINANCIAL INDEPENDENCE
GROUP

* FINANCIAL REGULATION

*

CASE NO. DFR-EU-2007-026

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SETTLEMENT AGREEMENT AND CONSENT ORDER

This Settlement Agreement and Consent Order ("Agreement") is entered into this 24 day of April, 2009, by and between the Maryland Commissioner of Financial Regulation (the "Commissioner") and Frederick Lee d/b/a Financial Independence Group ("Mr. Lee"), 3483 Satellite Boulevard, Suite 302, Duluth, Georgia 30086.

WHEREAS, the Commissioner is charged under the Maryland Mortgage Lender Law, Financial Institutions Article ("FI"), Title 11, Subtitle 5 of the Annotated Code of Maryland with the responsibility of licensing and supervising mortgage lenders who make or broker consumer loans secured by residential real property located in this State; and

WHEREAS, the Commissioner is charged under the Maryland Mortgage Originators Law, FI, Title 11, Subtitle 6 of the Annotated Code of Maryland with the responsibility of licensing and supervising mortgage originators in this State; and

WHEREAS, as a result of an investigation by the Office of the Commissioner, it is alleged that Mr. Lee engaged in the business of brokering and originating Maryland mortgage loan transactions with Maryland consumers without the proper licenses under

Maryland law; and

WHEREAS, in connection with these allegations, the Deputy Commissioner of Financial Regulation issued a Summary Cease and Desist Order to Mr. Lee, on September 13, 2007, ordering him to cease and desist from engaging in the business of mortgage lending in the State of Maryland; and

WHEREAS, the Commissioner desires to ensure that Mr. Lee will comply with all applicable licensing requirements and other provisions of Maryland law and regulations applicable to mortgage lending, brokering or originating in this State, and desires to avoid the cost to the taxpayers of lengthy hearings, court proceedings and appeals resulting from a litigated disposition of these allegations; and

WHEREAS, Mr. Lee also desires to avoid the cost of a hearing and potential court proceedings resulting from a litigated disposition of these allegations; and

WHEREAS, Mr. Lee acknowledges that he has voluntarily entered into this Agreement with full knowledge of his right to a hearing on the allegations set forth herein, pursuant to FI §§ 11-518 and 11-616, and the Maryland Administrative Procedures Act (Md. Code Ann., State Gov't Article 10-201 *et seq.*), and hereby waives his right to a hearing, and Mr. Lee further acknowledges that he had an opportunity to consult with independent counsel in connection with his waiver of rights and negotiation and execution of this Agreement and has, in fact, consulted with his own counsel.

NOW, THEREFORE, in consideration of the mutual premises contained herein, it is

by the Maryland Commissioner of Financial Regulation, on the day and year first above written, hereby ORDERED that:

1. The Recitals set forth above are and shall form a part of this Agreement;
2. The Commissioner hereby vacates the Summary Cease and Desist Order issued to Mr. Lee on September 13, 2007;
3. The Commissioner agrees that she will not bring an enforcement action of any kind, civil, criminal, or administrative, against Mr. Lee for any conduct related to the investigation referred to in the Deputy Commissioner's letter of September 12, 2008 sent to Mr. Lee's attorney, Michael Schatzow, Esquire.
4. Mr. Lee agrees that he will not engage in any activities, including, but not limited to mortgage lending, brokering, or origination without first obtaining the proper licenses under Maryland law;
5. Mr. Lee will pay \$75,000.00 in full and complete satisfaction of all penalties that could be assessed in connection with the facts and circumstances that were the subject of this investigation. Such payment shall be paid in the following manner:
 - a. \$25,000.00 to be due and payable upon execution of this Agreement: the first payment shall be made in two separate checks and divided as follows: \$22,000.00; and \$3,000.00 as an investigation fee;
 - b. \$25,000.00, due and payable 60 days after the execution of this Agreement; and
 - c. \$25,000.00, due and payable within 120 days of

execution of this Agreement.

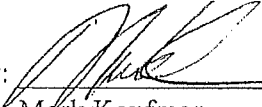
6. Mr. Lee acknowledges that in the event he violates any provision of this Agreement, the MMLL, any other State laws which apply to mortgage lending in Maryland, or any regulation promulgated pursuant to any such laws, the Commissioner may, at the Commissioner's discretion, take such enforcement actions as are permitted by, and are in accordance with, applicable law.

7. This Agreement constitutes the complete resolution of a disputed matter and does not constitute nor shall it be deemed an admission by Mr. Lee of liability or a violation, willful or otherwise, of Maryland law.

8. Mr. Lee acknowledges that this Agreement is considered a Final Order of the Commissioner for the purposes of any future action under the appropriate regulatory laws of the State of Maryland.

IN WITNESS WHEREOF, this Agreement is executed on the day and year first above written.

**COMMISSIONER OF FINANCIAL
REGULATION**

By: 
Mark Kaufman
Deputy Commissioner

FREDERICK LEE

By: 